

LS-1847  
Subject  
3145

\*OGC Has Reviewed\*

19 December 1952

ATTN : Office of Personnel Director  
Special Contracting Office  
Office of the General Counsel

Classification of Foreign Posts

REFERENCE: Memorandum from Personnel Director dated 16 September 1952  
Memorandum from Chief, Division of Near East and Africa to Personnel Director, dated 22 August 1952.

1. The referenced memoranda present the question whether the granting of allowances for an unclassified post, at the level of the lowest rates for a classified post within the country, may be extended beyond an initial six month period as provided by sections 3.52 and 4.52 of the Standardized Allowance Regulations. Although this office perceives no legal objection to extension beyond the initial six months, administrative considerations not germane to this discussion would appear to dictate that unclassified posts be classified at the earliest possible moment after assignment of personnel to such posts.

2. Executive Order 10100, Regulations Relating to the Granting of Certain Allowances by the Director of Central Intelligence, effective 20 June 1949, provides in part:

"....1. The allowances granted by the Director of Central Intelligence under section 5(b) of the Central Intelligence Agency Act of 1949 shall conform to the allowances granted by the Secretary of State in accordance with the regulations prescribed by him...as to places or cities with respect to which such regulations are applicable; and as to places or cities with respect to which such regulations are not applicable, the allowances granted by the Director shall conform, so far as practicable, to the general standards and rates contained in the said regulations of the Secretary of State.

2. The Director of Central Intelligence may prescribe such further regulations as he may deem necessary to effectuate the purpose of this order...." (Emphasis supplied)

So much of section [REDACTED] of the Confidential Funds Regulations as relates to post allowances, is the implementation of the emphasized portion of the foregoing Executive Order authority. In consequence, sections 3.52 and 4.52 of the Standardized Government Civilian Allowance Regulations (Foreign Areas) are only binding on this Agency

25X1A

insofar as they establish a method for initial determination of the rate at which Government employees shall be paid quarters and post allowances at unclassified posts. (They do not relate to the grant of quarters and post allowances or the right of an employee to receive quarters or post allowances.) As stated above, however, "... the allowances granted...shall conform, so far as practicable, to the general standards and rates..."

3. Informal inquiry at State Department indicates that after assignment of personnel to an unclassified post, a tentative classification of the post is established on the basis of Retail Price Schedules submitted by the employees upon arrival at the unclassified post. This initial or preliminary classification is established at a level lower than the anticipated final classification (to avoid possible collection problems). Upon submission of final detailed information from the area, the post is classified and this classification is retroactive to the date of arrival at the post. Later reclassification of a post has only prospective effect.


4. Although a request for classification of a post might be forwarded to the State Department, it is discretionary with this agency in accordance with the provisions of Executive Order 10100. CIA may establish a classification until such time as State has acted. At that time, the classification established by State would control.

5. From the foregoing it is seen that failure of this Agency to classify a post, or to request classification by the State Department, may not operate to preclude the payment of post allowances to personnel stationed at unclassified posts. Failure to determine a preliminary classification would leave the rate of the lowest post in the country of assignment as the effective rate. Establishment of classification might well create a new rate effective upon date of arrival at the post with the consequent adjustment of allowances due the individual.

6. With reference to the specific case presented by NE/A and in the absence of post classification, the obvious intent of the contract provision is to grant quarters and cost-of-living allowances "at the maximum rates prescribed in the Standardized Government Civilian Regulations." The rate provided by the Standardized Government Allowance Regulations at that time was the lowest rate for a classified post within the country of assignment. Were the post to be classified by State Department, payment under this provision should be adjusted accordingly. In the absence of classification, the duration of the rate thus established at the outset would continue for the duration of the contract.

7. The other questions presented having been answered by the discussion above, a specific answer is not presented for each one. We will be glad to assist in any further questions you may have on problems that may arise in implementing the provisions of Executive Order 10100.

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Attachment - Memo from Chief, MEA to Personnel Director dated  
22 August 1952.

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Distribution -

Orig - Addressee

1 - OGC

ORIGINAL DOCUMENT MISSING PAGE(S):

ENCLOSURE